



Federal Communications Commission
Washington, D.C. 20554
MAY 20 1996

The Honorable Sam Farr
U. S. House of Representatives
P. O. Box 145
Salinas, California 93902

DOCKET FILE COPY ORIGINAL

Dear Congressman Farr:

Thank you for the letter dated April 30, 1996, on behalf of your constituent, Howard D. Wilson, regarding the Commission's policies for licensing 800 MHz Specialized Mobile Radio (SMR) systems. Mr. Wilson expresses concern regarding the Commission's decision to redesignate the 800 MHz General Category Pool frequencies. Mr. Wilson also expresses concern about the proposed use of competitive bidding procedures to award future licenses on these frequencies.

On December 15, 1995, the Commission issued a First Report and Order, Eighth Report and Order, and Second Further Notice of Proposed Rule Making (First Report and Order) in PR Docket No. 93-144, which addressed the treatment of the General Category. In the First Report and Order, the Commission determined that the overwhelming majority of General Category channels are used for SMR as opposed to non-SMR service. In fact, our licensing records indicate that there are three times as many SMR licensees using General Category channels as any other type of Part 90 licensee. The Commission therefore concluded that the most efficient use of the General Category channels would be to redesignate them exclusively for SMR use. Thus, the First Report and Order provided that in the future, only SMR service providers will be eligible for new licenses in the General Category pool. Existing non-SMR licensees on General Category channels will continue to operate under their current authorizations, however, and will be fully protected from interference by new SMR licensees. In addition, the Commission's decision specifies that SMR service providers are no longer eligible to apply for licenses on Business or Industrial/Land Transportation channels. As a result, we anticipate that the First Report and Order will make more spectrum available for licensees such as Mr. Wilson, who are currently eligible, and will continue to be eligible, to apply in the Business and Industrial/Land Transportation categories. For your convenience and information, enclosed is a copy of the Press Release concerning the First Report and Order, which includes a summary of the principal decisions and proposals made.

The Commission's decision to auction 800 MHz SMR spectrum is consistent with Section 309(j) of the Communications Act, which sets forth certain criteria for determining when auctions should be used to award spectrum licenses. Pursuant to these criteria, auctions are to be used to award mutually exclusive initial licenses or construction permits for services likely to involve the licensee receiving compensation from subscribers. The statute also requires that the Commission determine that auctioning the spectrum will further the public interest objectives of Section 309(j)(3) by promoting rapid development of service, fostering competition, recovering a portion of the value of the spectrum for the public, and encouraging efficient spectrum use. The Commission has concluded that auctioning of SMR licenses

satisfies these criteria. In particular, we believe that auctions will minimize administrative or judicial delays in licensing, particularly in comparison to other licensing methods such as comparative hearings, lotteries (which are specifically prohibited by the statute if the service is auctionable), or "first-come, first-served" procedures. We note that the statute does not distinguish between new services (such as Personal Communications Services) and existing services in terms of whether initial licenses in a given service are auctionable. As noted above, however, the Commission's decision to use auctions applies only to issuance of initial licenses in the service, and is not intended to affect rights afforded to licensees under existing authorizations.

Thank you for your inquiry.

Sincerely,

A handwritten signature in dark ink, appearing to read "David L. Furth", with a stylized, flowing script.

David L. Furth
Chief, Commercial Wireless Division
Wireless Telecommunications Bureau

Enclosure

SAM FARR
17TH DISTRICT, CALIFORNIA

COMMITTEE ON AGRICULTURE
SUBCOMMITTEES:
DEPARTMENT OPERATIONS, NUTRITION,
AND FOREIGN AGRICULTURE
RISK MANAGEMENT AND SPECIALTY CROPS

COMMITTEE ON RESOURCES
SUBCOMMITTEES:
FISHERIES, WILDLIFE, AND OCEANS
WATER AND POWER RESOURCES

Congress of the United States
House of Representatives
Washington, DC 20515-0517

April 30, 1996

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Federal Communications Co
Office of Congressional Affairs
Office Of The Chairman
1919 M Street NW
Washington, D.C. 20554

RE: Mr. Howard Wilson
Post Office Box 3650
Salinas, CA 93912
FCC PR Docket No. 93-144

Dear Director:

I am writing on behalf of the above-referenced constituent, who has contacted my office for some assistance. Their concern or request is described on the attached document, and I would appreciate your office's assistance with this matter.

Would you, accordingly, please reply to me regarding the issues which this constituent has brought to my attention?

Your response can be sent to my office at **Post Office Box 145, Salinas, California 93902**, to the attention of Juan Uranga. (FAX 408-424-7099.) Thank you for your assistance.

Sincerely,



SAM FARR
Member of Congress

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PRB
PR-SMS
2269

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1427 ABBOTT STREET

March 25, 1996

Congressman Farr
P.O. Box 145
Salinas, CA 93902

RE: FCC PR Docket No. 93-144, Redesignation of 800 MHZ General Pool to a Commercial-only Service and Proposed Implementation of Competitive Bidding Process.

Dear Congressman Farr:

I am writing to request your help in understanding how new and proposed regulations will impact our business.

As background, Soilserv is a major provider of agricultural pest control services in the Salinas Valley and other Central Coast locations. Soilserv currently is licensed to operate on an 800 MHZ system. The use of this system is critical to our operations and the jobs of 135 employees. I need to know if actions referenced above could prevent us from being able to use the system in the future.

A telecommunication Industry Trade Association Newsletter warns that our license to use these channels may not be renewed and the channels auctioned to a commercial service provider like Nextel. Is this the case? If so, what can be done to protect our considerable investment in radio equipment?

I have been approached by radio service providers wanting to "buy" the channels currently used by Soilserv. They want us to use their service as a part of the deal. I feel these commercial radio services are not adequate for our needs. Customer service, regulation compliance, and even worker safety would suffer if we don't control the radio system we use.

Your help in this matter will be appreciated.

Sincerely,

A handwritten signature in cursive script, appearing to read "Howard D. Wilson".

Howard D. Wilson
Vice President Operations